REMARKS

I. INTRODUCTION

Claim 1 had been previously cancelled. Claim 10 is currently amended. Claims 2-20 remain pending in the present application. No new matter has been added. In view of the above amendments and the following remarks, it is respectfully submitted that all of the presently pending claims are allowable.

II. THE 35 U.S.C. § 103(a) REJECTIONS SHOULD BE WITHDRAWN

Claims 2-20 stand rejected under 35 U.S.C. § 103(a), as being unpatentable over Daniell, Mark Haynes, "Strategy and Volatility: Risk and Global Strategic Challenge," April, 2000 (hereinafter "Daniell"). (*See* Office Action, p. 2, ll. 18-19).

Daniell generally describes a strategy to capture and process related elements of risk and opportunity. Specifically, the strategy states that a "set of risks and opportunities *needs* to be broken down into elements which constitute the full nature of the net risk or opportunity created." (Emphasis added) (*See* Daniell, ¶ 11). These four elements of the disclosed strategy for evaluating risk are: 1) scale of potential harm, 2) likelihood of occurrence, 3) capability to respond, and 4) probability of effective deployment of that capability. (*See* Id., ¶ 12). The first two elements compose the "risk eventuation" half of a risk calculus, wherein the scale of potential harm is adjusted for the probability of the risk occurring. (*See* Id., ¶ 14). The "calculation of potential response impact" half of the risk calculus is composed of capability to respond and the probability of response capability being deployed effectively and on a timely basis. (*See* Id., ¶ 24). Thus, each of the four elements of this strategy compose an operable function to determine the overall net risk inherent in a complex system. (*See* Id., ¶ 27). Accordingly, any variation in the inputs for each of the four elements will result in changing the net risk assessment. (*See* Id.).

The strategy according to Daniell applies a similar approach for calculating net opportunity, wherein the value of the opportunity and likelihood of occurrence make up the "content element," and the capability to capture the opportunity and probability of effective

deployment make of the "capability element." (*See* Id., ¶ 29). Just as for risk assessment, each of the four elements of this strategy compose an operable function that is combined to create a net opportunity assessment, summing up the fully adjusted value of the opportunity. (*See* Id., ¶ 35). Daniell further states that for "any function which operates as the risk and opportunity calculus, that nil value at any stage - content, capability, or probability reduces the entire calculus to zero automatically." (*See* Id., ¶ 36). This reaffirms the initial statement in which Daniell's strategy for evaluating risks and opportunities *needs* to be broken down in the four elements. A zero-value in any of the four elements or the absence of any of the four elements will prevent this strategy from generating a result for either risk calculation or opportunity calculation. Consequently, if any one of the four elements, for either risk calculus or opportunity calculus, are not taken into account, the strategy described in Daniell would be unable to provide a strategic solution to a set of risks and opportunities within a system.

In addition, Daniell continues that the strategy for calculating risk and opportunity is "not sufficient" with simply the two aforementioned equations. (*See* Id., ¶ 37). In order for the strategy to be thorough and effective, the strategy must include a visionary element, a structure element, and a motivation and leadership element in addition to the initial four elements. (*See* Id.). Therefore the Daniell publication describes a strategy for assessing risks and opportunities which not only requires a "content element" and a "capability element," but these elements must also be "fully diagnosed and integrated into a best practice strategy model that combines vision, strategic content, organizational capability, and the strategy process into a unified whole." (*See* Id.).

The present invention relates to a method of projecting a future condition of a business entity. Claim 15 of the present invention recites "a computer-readable storage medium storing a set of instructions, the set of instructions capable of being executed by a processor *to project a future condition of a business entity*, the set of instructions performing the steps of identifying a plurality of risks and a plurality of opportunities for the business entity, evaluating *at predetermined times* a potential monetary impact of each of the risks and each of the opportunities on the future condition of the business entity, determining *at each of the predetermined times* for each of the risks, one of a probability that the risk will occur during a

predetermined period of time and a frequency at which the risk will occur, determining *at each of the predetermined times* for each of the opportunities, one of a probability that the opportunity will occur during a predetermined period of time and a frequency at which the opportunity will occur, *projecting at each of the predetermined times the future condition of the business entity* based on a monetary value of each of the risks and opportunities, wherein the monetary value for each of the risks and opportunities is determined based on the potential monetary impact and the corresponding one of frequency and probability." (Emphasis added).

The Examiner contends that the limitations recited in claim 15 are taught by the underlying theory to integrate risk-opportunity analysis according to the Daniell disclosure. (*See* Office Action, p. 3, l. 20 - p. 4, l. 2). Applicants respectfully submit that the strategy described in Daniell is inferior and limited in its application when compared to the recitations in claim 15 of the present invention. As described above, the strategy according to Daniell needs to break down a set of risks and opportunities in the four elements of "scale of potential harm, likelihood of occurrence capability to respond, and probability of effective deployment of that capability" in order to produce a result. In the event that one of these four elements is not taken into account or has a nil value, the strategy would be unable to provide a business with a solution. The present invention operates without the need to analyze the four elements, in particular, the "capability to respond" and "probability of effective deployment of that capability." The present invention eliminates the need for these elements and it is still able to provide a solution without the elements that would are required by the strategy according to Daniell. In addition, the present invention provides a sufficient solution without a visionary element, a structural element, or a motivational and leadership element. Thus, the present invention provides a superior solution that is more adaptable and less restrictive than the strategy described in Daniell.

Furthermore, Daniell fails to disclose or suggest "evaluating *at predetermined times...*, determining *at each of the predetermined times...*, projecting *at each of the predetermined times* the future condition of the business entity." The strategy of Daniell provides a static overall assessment of the four elements for risk calculation combined with a static overall assessment of the four element for opportunity calculation. Accordingly, Daniell only provides for a one-time assessment of risk and opportunity, in which the strategy passively

examines capabilities that may or may not be present at the single moment of assessment. If there are capabilities present during the one-time assessment, these capabilities may not exist or may not be available at a particular point in the future. Thus, the assessment made by the Daniell strategy may prove to be unreliable and would most likely result in an incorrect or irrelevant risk/opportunity assessment. And if the capabilities are not present during the one-time assessment, then, as discussed above, the strategy fails to provide a solution due to the lack of a necessary element in the risk/opportunity calculus described by Daniell. However, this would not be the case for the present invention. Seeing as the evaluating step, the determinating step, and the projecting step of claim 15 are performed "at each of the predetermined times" based on the risks and opportunities at these times, the present invention provides a continuously updating solution superior to the risk/opportunity assessment of Daniell. The present invention allows for active allocation of capabilities to respond to a risk or capitalize on an opportunity based on the most recent determination of resources. In the event that a risk or an opportunity changes or is no longer present, the step of projecting the future condition of the business entity is able to re-evaluate the projection during a subsequent interval of the predetermined times. Furthermore, the ability of the present invention to project a future condition would not be precluded if one of the four elements described in the Daniell strategy was removed or was at a nil value. Thus, it is respectfully submitted that Daniell's disclosure neither teaches nor suggests "projecting at each of the predetermined times the future condition of the business entity" as recited in claim 15.

Furthermore, the Examiner appears to take Official Notice that "it is old and well-known in the art of financial risk management to calculate risk in terms of monetary value and impact." (*See* Office Action, p. 4, ll. 19-20). The Examiner makes the above statement both about risk and opportunity. However, Daniell only provides examples of qualitative risk and opportunity values. If such a thing were well known, the Examiner should have no problem finding a reference that states such a proposition. The applicants refer the Examiner to the cautions in MPEP 2144.03 which repeatedly states that "such [Official Notice] rejections should be judiciously applied." Applicants' specifically request such a reference or other supporting evidence for both risk and opportunity be provided as described in MPEP 2144.03 (C).

The applicants respectfully submit that the Examiner takes this faulty Official

Notice and continues to build additional assumptions on top of this faulty assumption. The Examiner goes on to state that since "Daniell addresses risk in a financial environment and the value of business opportunities . . . it would have been obvious . . . to adapt Daniell to expressly perform the step of projecting at each of the predetermined times the future condition of the business entity based on a monetary value of each of the risks and opportunities." (*See* Office Action, p. 5, ll. 3-8). As described above, Daniell does not teach or suggest "projecting at each of the predetermined times the future condition of the business entity based on a monetary value of each of the risks and opportunities." The Examiner's underlying reason for making such a logical leap is faulty and therefore undermines the entire premise of the rejection, *i.e.*, the Official Notice is faulty and therefore, the conclusions of obviousness drawn by inference of accepting the Official Notice are also faulty.

Applicants respectfully submit that for at least the reasons stated above, claim 15 of the present application is not unpatentable over Daniell, and request that the rejection of this claim be withdrawn. As claims 2-9, and 16 depend from, and therefore include all the limitations of claim 15, it is hereby submitted that these claims are also allowable.

The Examiner rejected claim 10 as reciting limitation already addressed by the rejection of claim 15 as being unpatentable over Daniell. (*See* Office Action, p. 9, ll. 20-21). Claim 10 is a system claim comprising elements for performing the method described in claim 15 and has been amended to recite limitations substantially similar to those of claim 15. Such limitations include "a first storage means receiving and storing data *at predetermined times*, wherein the data corresponds to a plurality of risks and a plurality of opportunities for the business entity, a second storage means for receiving and storing data *at each of the predetermined times*, wherein the data corresponds to a potential monetary impact on the future condition of the business entity of each of the risks and opportunities stored in the first storage means..., and a calculation means for projecting *at each of the predetermined times* the future condition of the business entity based on a monetary value of each of the risks and opportunities stored in the first storage means, wherein the monetary value is a function of the potential monetary impact and the one of frequency and probability for each of the risks and opportunities from the first and second input means." (Emphasis added).

Therefore, Applicants respectfully submit that claim 10 is allowable for at least the reasons discussed above with regard to claim 15. Because claims 11-14 depend from, and therefore include all the limitations of claim 10, it is hereby submitted that these claims are also allowable.

The Examiner rejected claim 17 as reciting limitation already addressed by the rejection of claim 15 as being unpatentable over Daniell. (*See* Office Action, p. 11, ll. 1-2). Claim 17 recites limitations substantially similar to those of claim 15, including "evaluating at predetermined times a potential monetary impact of each of the risks and each of the opportunities on the future condition of the business entity, determining at each of the predetermined times for each of the risks one of a probability that the risk will occur during a predetermined period of time and a frequency at which the risk will occur, determining at each of the predetermined times for each of the opportunities one of a probability that the opportunity will occur during a predetermined period of time and a frequency at which the opportunity will occur; and projecting at each of the predetermined times the future condition of the business entity based on a monetary value of each of the risks and opportunities, wherein the monetary value for each of the risks and opportunities is determined based on the potential monetary impact and the corresponding one of frequency and probability.

Therefore, Applicants respectfully submit that claim 17 is allowable for at least the reasons discussed above with regard to claim 15. Because claims 18-20 depend from, and therefore include all the limitations of claim 17, it is hereby submitted that these claims are also allowable.

CONCLUSION

In light of the foregoing, Applicants respectfully submit that all of the now pending claims are in condition for allowance. All issues raised by the Examiner having been addressed. An early and favorable action on the merits is earnestly solicited.

Respectfully submitted,

Dated: April 11, 2006

By: _____

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